



COUNTY OF SAN DIEGO

DEPARTMENT OF CHILD SUPPORT SERVICES

2011 EMPLOYER WEBINAR

Processing Income Withholding Orders



COUNTY OF SAN DIEGO
DEPARTMENT OF CHILD SUPPORT SERVICES

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DEPARTMENT OF CHILD SUPPORT SERVICES

2011 EMPLOYER WEBINAR

Processing Income Withholding Orders

8:10 AM
10/25/2011

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Employer - Windows Internet Explorer

http://www.childsup.ca.gov/Employer.aspx

Employer

I NEED TO...

- E-Pay
- Report New Hires
- Get Information / Forms
- Contact my Local Child Support Agency
- Contact DCSS

ADDITIONAL LINKS

- Employer General FAQs
- Employer Medical Support FAQs
- California State Disbursement Unit (SDU)
- Employment Development Department
- Federal Office of Child Support Enforcement

WELCOME TO DCSS EMPLOYER RESOURCE CENTER

DID YOU KNOW...

- Nearly 70% of California child support comes from employee wage withholding orders.
- Employers directly affect the well being of California children by:
 - Reporting new hires
 - Making child support payments
 - Processing medical support orders

Employer Handbook - Guide to California Child Support for Employers.

CA-SDU Electronic Funds Transfer - "How-to" guide on Electronic Fund transfers rs.

Bulk Upload Step-By-Step - Combine Multiple payments into a single transaction.

Employer Information Request Form - Respond electronically to an EIR Form you received in the mail requesting you update your employer information on file with DCSS.

Employer Refund Request Form - Employer Refund Request Form.

Electronic Income Withholding Orders (E-IWO) - California is now exchanging Electronic Income Withholding Orders (e-IWO) with Employers via the OCSE e-IWO project.

E-Update, Click To Subscribe - Keep up to date with employer tips and information.

https://www.casdu.com/cas_sdu/

Internet | Protected Mode: Off

9:00 AM
10/25/2011

Event Controls

Chat

from Ami Gomez to All Participants:
Yes I can see you
from lupe giraldo to Host (privately):
Is the employer supposed to let the office know if an employee is going to receive a bonus? how will the department know if, i, payroll doesn't disclose that information. Is there a specific timeframe i have to let the dept know about a bonus?

Send to: All Panelists

Send

Q&A

All (5) My Q&A (1)

the department know if, i, payroll doesn't disclose that information. Is there a specific timeframe i have to let the dept know about a bonus?

Ami Gomez - 8:55 AM

A: Thank you for your question. Your question was deferred but will remain in the queue. A panelist will answer your question at a later time.

Ask: All Panelists

Send

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TODAY'S PRESENTATION

- Overview of Child Support in San Diego
- Review the Income Withholding Order Form
- Processing the Income Withholding Order
- Calculating How Much to Withhold
- Multiple Orders and Other Special Circumstances
- Contacting DCSS
- Questions and Answers

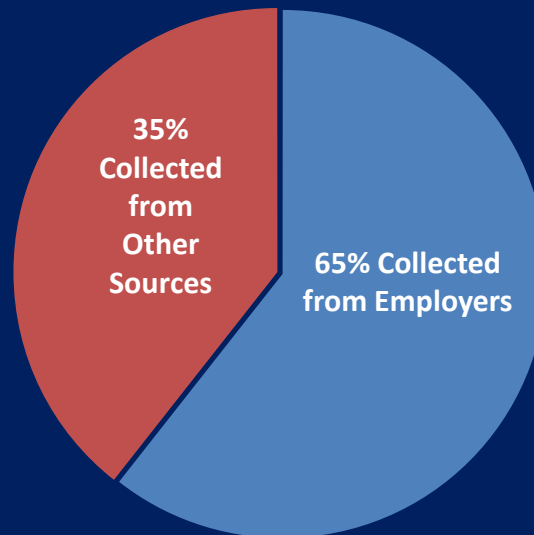


PRESENTERS

- Jerry Barizo
 - Supervising Child Support Officer
- Namia Allen
 - Supervising Child Support Officer



CHILD SUPPORT IN SAN DIEGO



- Last year San Diego DCSS collected \$178.1 million in Child Support.
- \$116.5 million of total was collected from employers through income withholding orders.

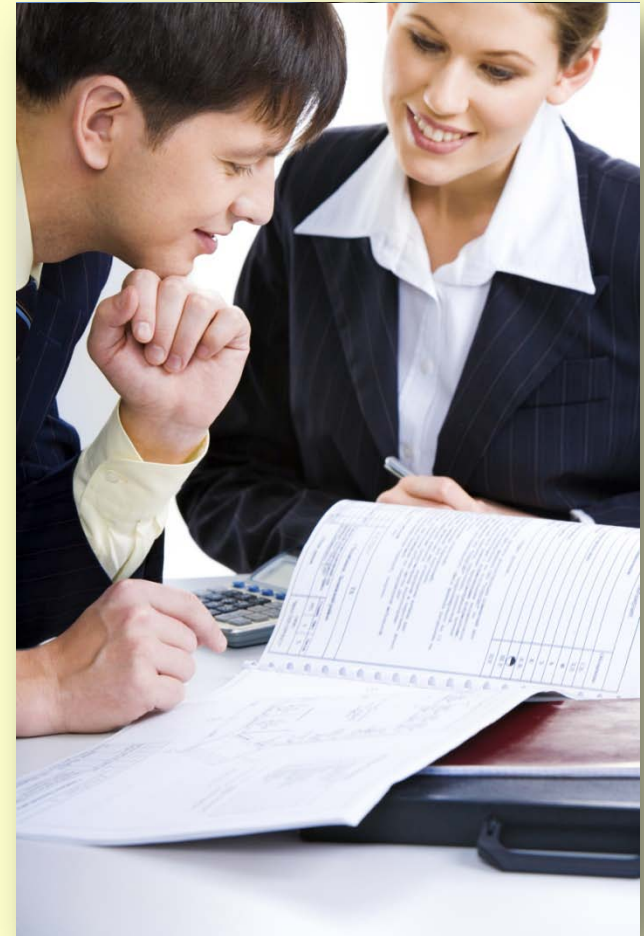


Income Withholding Order (IWO)



What to do upon receiving IWO?

- Confirm employee named in IWO is your employee.
- Give employee copy of IWO and Request for Hearing Forms.





**Deduct support amount from
employee's net disposable income no
later than the first pay period after...**

**10 calendar days from the date on
the IWO.**



Send payments to State Disbursement Unit (SDU) within 7 working days of pay date.





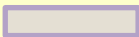
Payment Calendars

JUNE 2011						
SUN	MON	TUES	WED	THURS	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

JULY 2011						
SUN	MON	TUES	WED	THURS	FRI	SAT
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

AUGUST 2011						
SUN	MON	TUES	WED	THURS	FRI	SAT
31	1	2	3	4	5	6

Legend:



Pay Periods



Pay Dates



IWO Date



10 calendar days after IWO to withhold



7 working days after Pay Date to submit



EMPLOYER RESPONSIBILITIES

- When employee's employment ends, inform the local child support agency of:
 - New employer's address (if known)
 - Employee's last known residence address
 - Employee's last known telephone number



EMPLOYER PENALTIES FOR NON COMPLIANCE

- Employer who fails to withhold and forward support is liable to:
 - SDU for the amount of support not withheld, forwarded or paid, including interest
 - Employee for amounts withheld and not forwarded

Failure to comply could be punishable by
contempt



**Child support orders have
priority over all other
withholding orders.**

EXCEPTION!!!

**An IRS tax levy IN PLACE PRIOR
to the date the child support
judgment was entered.**

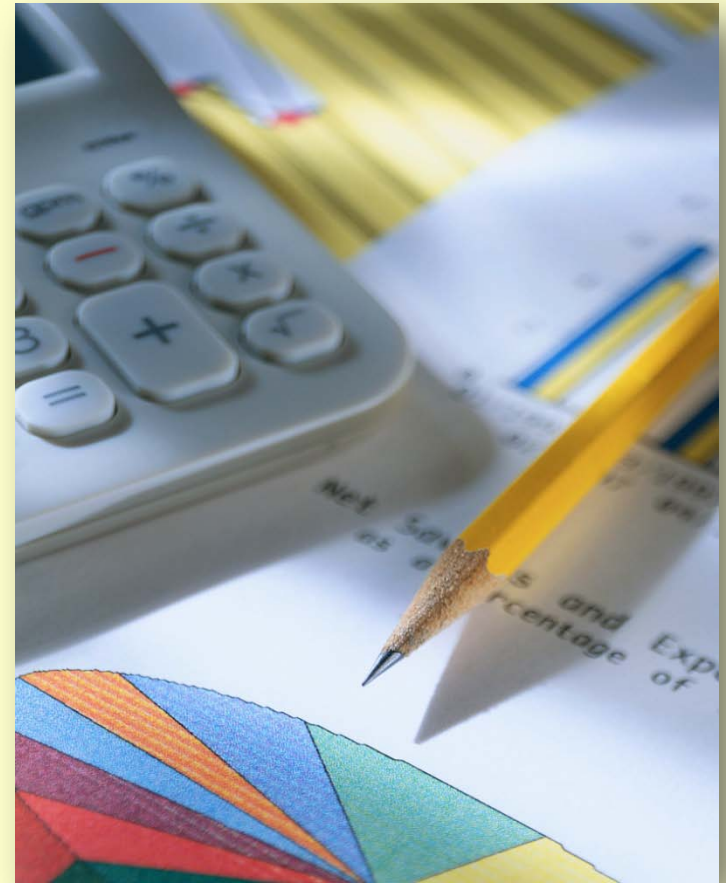
CALL DCSS





Calculating Deductions

- Determine what is included in gross earnings.
- Apply mandatory salary/wage deductions.
- Determine whether assignment can cover court-ordered support and arrears.





What goes into gross income?

**Wages, Salary, Bonuses, Vacation pay, Retirement income,
Commissions, Dividends, Royalties, Residuals,
Payments to independent contractor.**

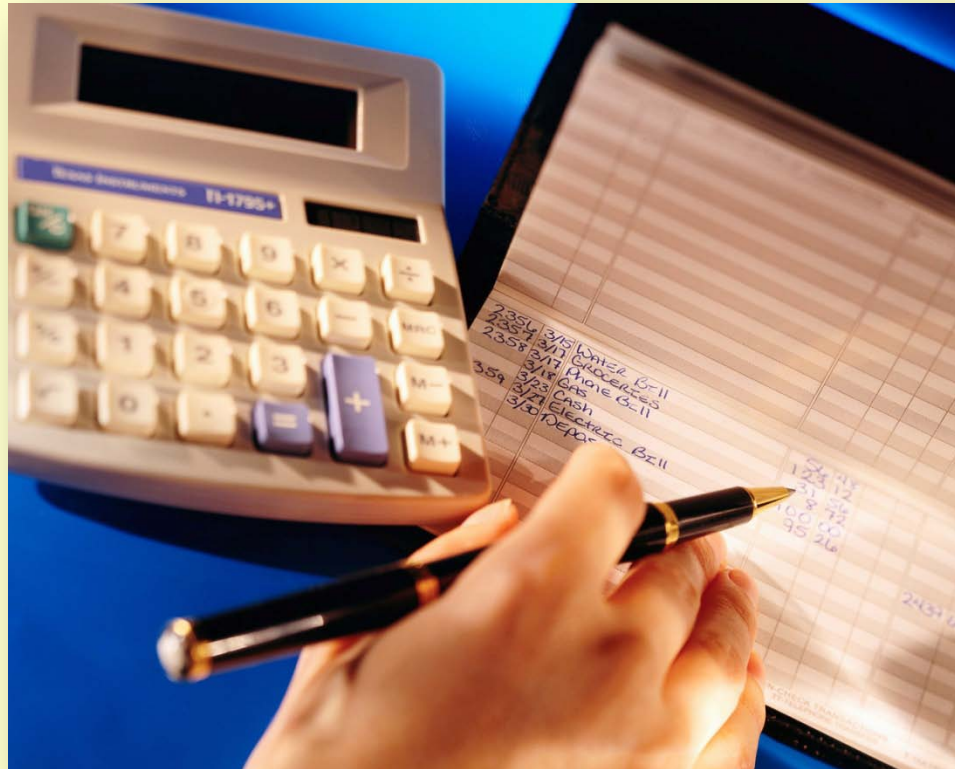


What are allowable deductions?

- State and federal taxes, SDI
 - Mandatory union dues
- Mandatory retirement contributions



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$$\text{Gross Income} - \text{Allowable Deductions} = \text{Net Disposable Income (NDI)}$$



50% of NDI = Maximum Support to Deduct (MSD)



WITHHOLDING EXAMPLE...

- a) Gross Wages.....\$150
- b) Social Security\$10

\$140

- c) Medicare Tax.....\$5

\$135

- d) ~~Voluntary 401K Contributions.....\$20~~

Net disposable income \$135



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\$135.00 NDI x 50% (maximum support to deduct) = \$67.50 MSD



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Court Order= \$75 current support + \$10.00 arrears = \$85 to deduct



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\$85 court order... \$67.50 maximum support to deduct ...WITHHOLD \$67.50



MAKING PAYMENTS

- State Disbursement Unit (childsup.ca.gov)
- Include following information for each employee
 - Name as it appears on the IWO
 - SSN
 - Case or court order number



SPECIAL CIRCUMSTANCES

- Multiple Orders
- Out-of-State Orders
- Lump Sum Earnings/Bonuses/Severance Pay



Multiple Orders Within California-

Same income factors as previous example

Net disposable income= \$135.00

Order A from San Diego County = \$40

Order B from San Diego County = \$20

Order C from Riverside County = \$35

Total obligation= \$95

50% of Net Disposable Income= \$67.50



HOW MUCH DO I SUBMIT ON EACH ORDER?



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NO NEED TO WORRY!! Send maximum payment for
\$67.50 and DCSS will pro rate the payments.



MULTIPLE OUT-OF-STATE ORDERS

- IWO's from two states...same dependents
- IWO's from two states...different dependents



Multiple Orders Including Out-of-State Order

Employee Net Disposable Income = \$1000

MSD Allowance x50%

Maximum Support Deduction = \$500

California Order Current Support= \$300

Michigan Order Current Support= \$400

Total Current Support Ordered = \$700



Using prorating to split the \$500 MSD...

Order #1



California

California Order Current Support \$300
Current Support for both orders ÷ \$700
California portion of overall order = 43%
THEN...

Use 43%
Maximum Support Deduction x \$500
\$215

ASSIGN \$215 to California SDU



Using prorating to split the \$500 MSD CONT...

Order #2



Michigan

Michigan order Current Support \$400

Current Support for both orders ÷ \$700

Michigan portion of overall order 57%

THEN...

Use 57%

Maximum Support Deduction x \$500

\$285

ASSIGN \$285 to Michigan



Handling Special Earnings Situations

- Seasonal employees
 - Withhold when employee is on payroll
 - Keep IWO on file
- Independent Contractors
 - Wages are subject to withholding
- Lump sum payments (Call DCSS)
 - Bonuses
 - Severance payments



STAYING IN TOUCH

- By Phone: 866-901-3212
- Employer Fax Numbers: 619-236-4426 or 4427
- Other Information Sources
 - SDDCSS Website (sandiegochildsupport.org)
 - California DCSS Website (childsup.ca.gov)
 - Employer Handbook
- Employer Online Inquiry Form



QUESTIONS AND ANSWERS

- Todd Faucher, Child Support Program Attorney
- Namia Allen, Supervising Child Support Officer
- Jerry Barizo, Supervising Child Support Officer
- Ami Gomez, Supervising Child Support Officer